BMMP

Arming the Warfighter Through Business Improvement

BUSINESS MANAGEMENT MODERNIZATION PROGRAM

System Compliance Workshop

- The DoD Business Management Modernization Program* (BMMP) was established in July 2001 to modernize DoD business operations and systems.

- BMMP transformation objectives are:

  - To <u>define the future capabilities</u> necessary to support the Warfighter, and focus the activity of business systems modernization on acquiring those capabilities.

  - To define and <u>declare capabilities that should be common</u> <u>throughout the DoD business enterprise</u> and direct the implementation of enterprise-wide systems with greater visibility at the highest levels of leadership within the Department.

  - To <u>control current and future investments</u> in business systems, through the governance of the Defense Business Systems Management Committee (DBSMC) and IRBs.

-- BMMP March 2005 Report to Congress

*Formerly Financial Management Modernization Program (FMMP). The name was changed in May 2003.

How big is BMMP? It impacts:

- 5.5M employees, service members and beneficiaries
  - Paychecks and W-2's
  - Personnel records and actions
  - Medical and Dental records, appointments, admissions and discharges
  - Training records, plans, and scheduling classes
  - Travel requests, tickets, vouchers
- $400B[+]/Year
  - 267 Appropriations
  - 124 Million accounting transactions
  - 11.2 Million invoices
- $700B[+] in Assets
- 600,000 Buildings at 6,700 locations in 146 Countries
  - $620B in Real Property Assets
    - 2.3M square feet of buildings
    - 32M acres
- 1,312 Major weapons systems
  - 4.6 Million parts and supplies managed
- 150+ Federal Source Laws and Regulations (Ex. Title 5, 10, 32, 37)
  - 4,200+ Specific requirements from source laws
- 4,000 Business Systems … and Counting
  - Different standards and interpretations of rules and requirements

> *BMMP:*
> *The Largest Transformation Effort in Government or Industry*

1. DoD Business Enterprise Clarity
2. Tiered Accountability
3. Horizontal Business Transformation Focus
4. Business Mission Alignment to Warfighter Needs
5. Capabilities, not Systems, as Deliverables
6. Clean Audit as Affirmation of Clean Processes
7. Program Management Discipline

Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.
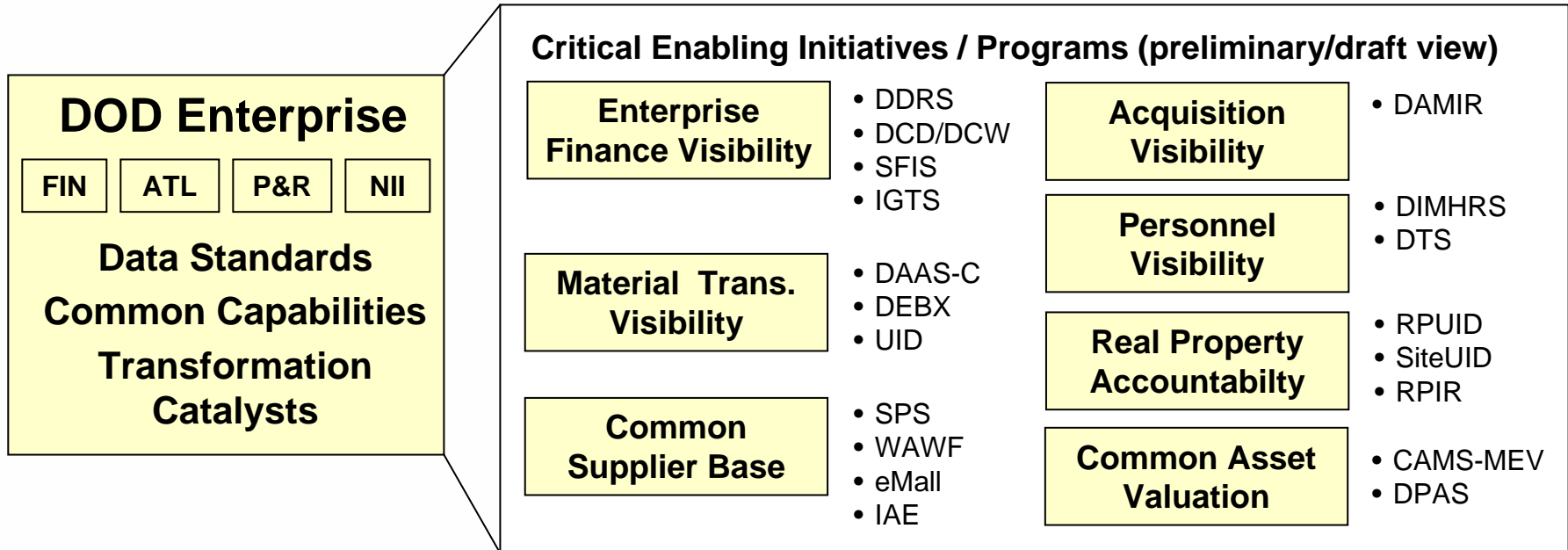
- 5 Core Business Missions (CBMs) were established to provide a DoD transformational framework

- They align strategic, end-to-end capabilities with DoD's mission, goals and objectives, and governance, business processes and systems
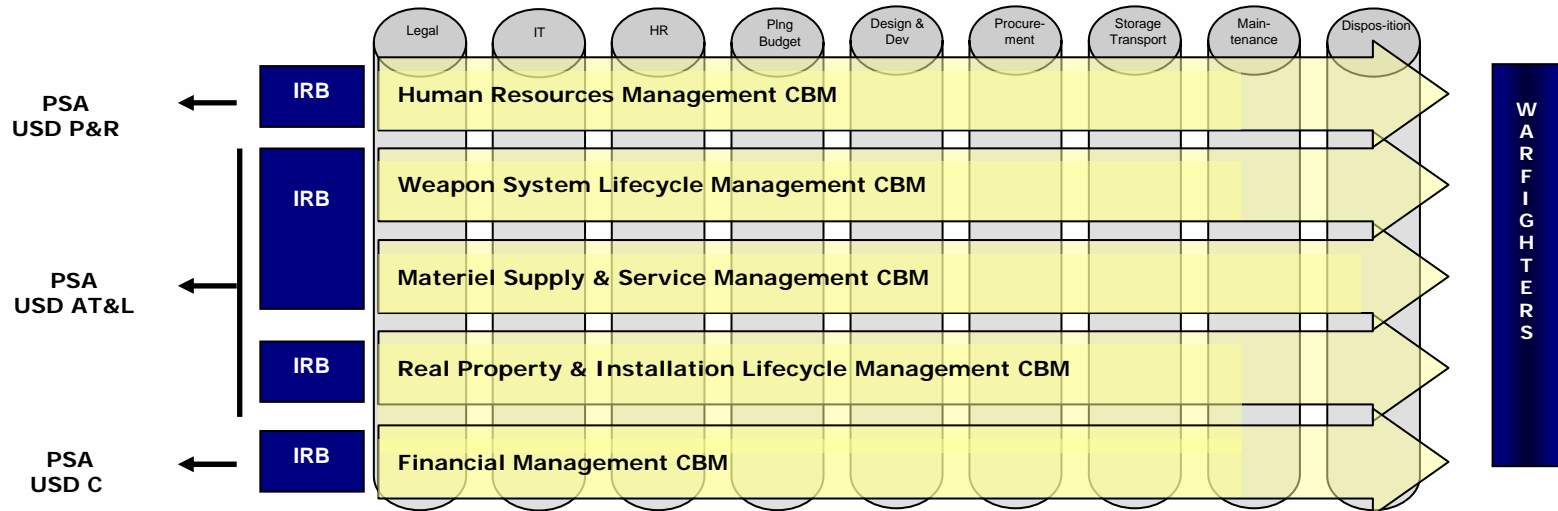
- DEPSECDEF designated 3 PSAs (P&R, AT&L and Comptroller) as Certification Authorities (CAs) for business system investments

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DOD Business Enterprise	Common Capabilities, Data Standards, Rules and Enterprise-wide Systems					
	⇕ ⇕ **Required Integration** ⇕ ⇕					
	ARMY	**NAVY/MC**	**Air Force**	**DLA**	**TRANSCOM**	
Component Business Enterprises	Army Enterprise Architecture Alignment to DOD Enterprise Portfolio Mgt AT&L, Fin, P&R, NII	Navy/MC Enterprise Architecture Alignment to DOD Enterprise Portfolio Mgt AT&L, Fin, P&R, NII	Air Force Enterprise Architecture Alignment to DOD Enterprise Portfolio Mgt AT&L, Fin, P&R, NII	DLA Enterprise Architecture Alignment to DOD Enterprise Portfolio Mgt AT&L, Fin, P&R, NII	US TransCom Enterprise Architecture Alignment to DOD Enterprise Portfolio Mgt AT&L, Fin, P&R, NII	O t h e r s

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Critical Enabling Initiatives / Programs (preliminary/draft view)

DOD Enterprise

| FIN | ATL | P&R | NII |

Data Standards

Common Capabilities

Transformation Catalysts

Enterprise Finance Visibility
- DDRS
- DCD/DCW
- SFIS
- IGTS

Acquisition Visibility
- DAMIR

Personnel Visibility
- DIMHRS
- DTS

Material Trans. Visibility
- DAAS-C
- DEBX
- UID

Real Property Accountabilty
- RPUID
- SiteUID
- RPIR

Common Supplier Base
- SPS
- WAWF
- eMall
- IAE

Common Asset Valuation
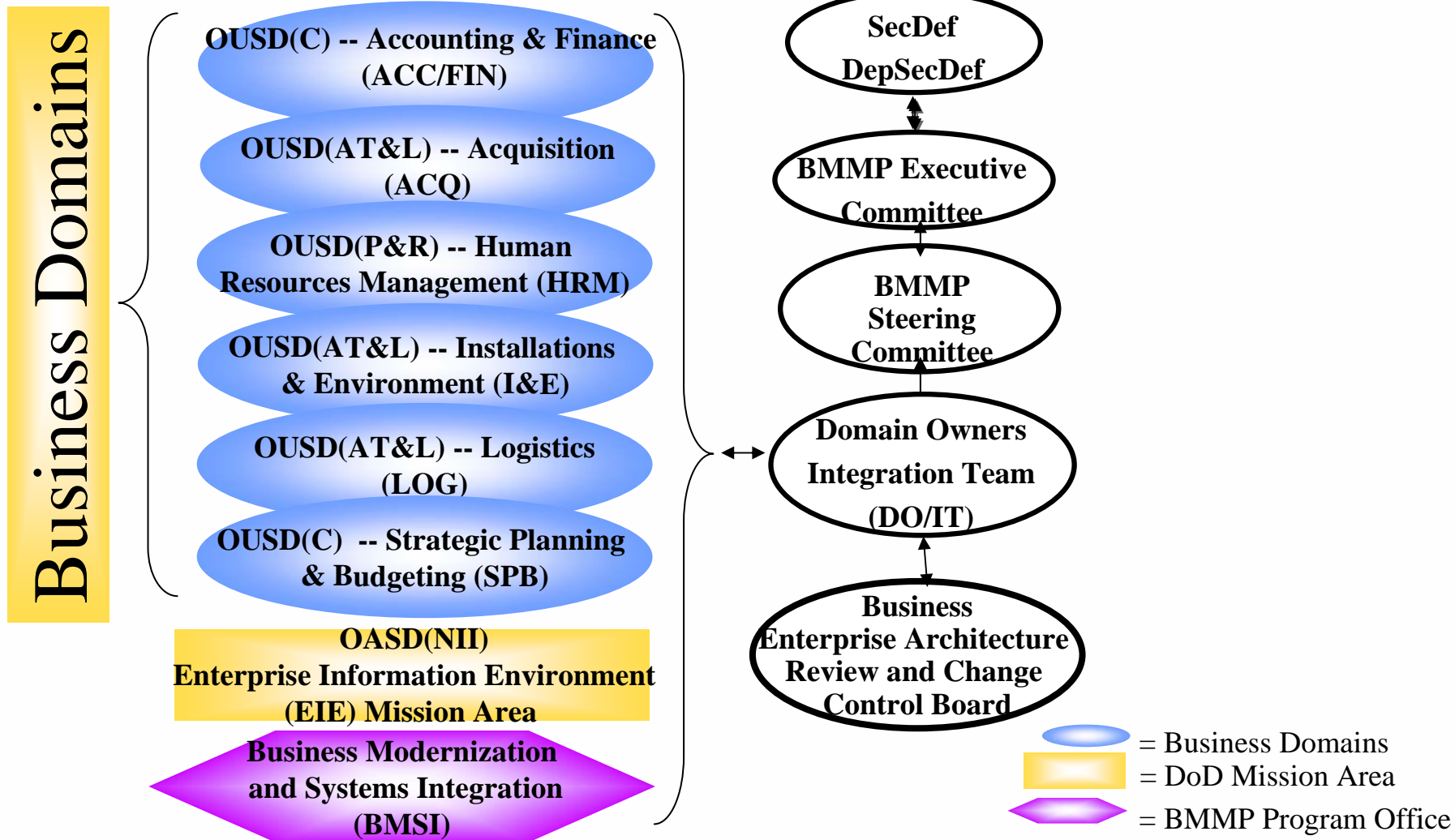- CAMS-MEV
- DPAS

Goals:

Focus BMMP effort on evolving, consolidating, accelerating standalone programs into a unified DOD Business Enterprise Architecture.
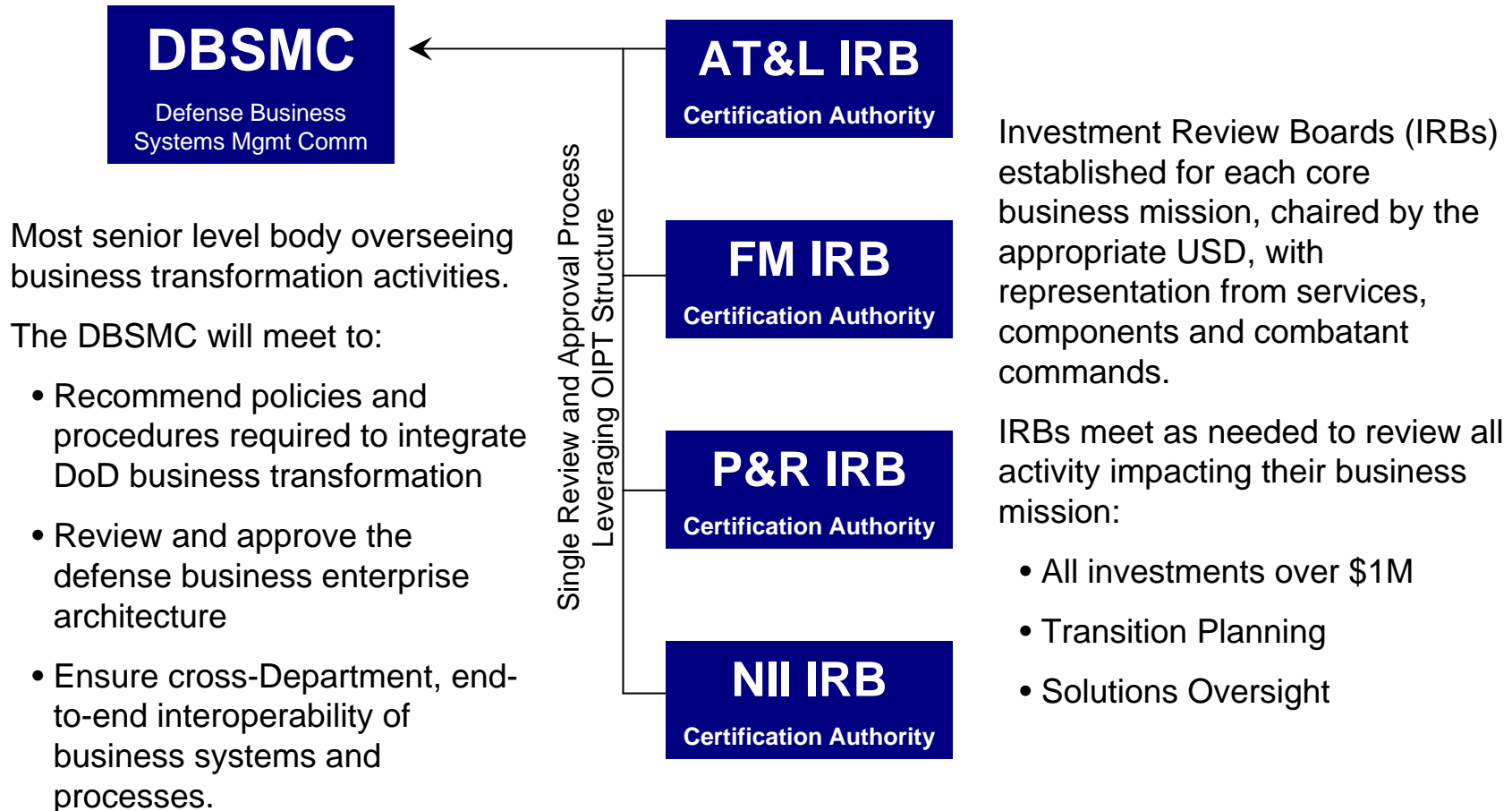
Align selected programs under a BMMP Program Executive Office, ensuring DOD level senior management engagement and prioritization.

Clearly articulate interfaces, rules, and portfolio impact to component organizations. Work with components to define timelines to compliance with DOD Business Enterprise Architecture.
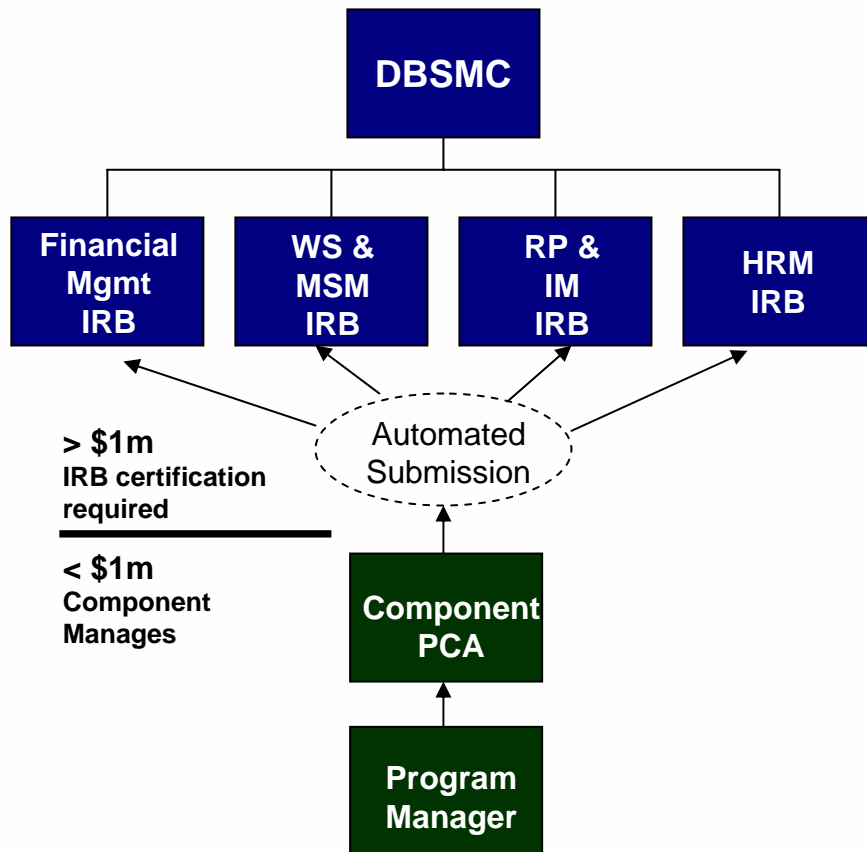
Business Domains

- OUSD(C) -- Accounting & Finance (ACC/FIN)
- OUSD(AT&L) -- Acquisition (ACQ)
- OUSD(P&R) -- Human Resources Management (HRM)
- OUSD(AT&L) -- Installations & Environment (I&E)
- OUSD(AT&L) -- Logistics (LOG)
- OUSD(C) -- Strategic Planning & Budgeting (SPB)

OASD(NII) Enterprise Information Environment (EIE) Mission Area

Business Modernization and Systems Integration (BMSI)

SecDef DepSecDef

BMMP Executive Committee

BMMP Steering Committee

Domain Owners Integration Team (DO/IT)

Business Enterprise Architecture Review and Change Control Board

= Business Domains
= DoD Mission Area
= BMMP Program Office

BMMP — Department of the Navy logo

DBSMC
Defense Business Systems Mgmt Comm

AT&L IRB
Certification Authority

FM IRB
Certification Authority

P&R IRB
Certification Authority

NII IRB
Certification Authority

Single Review and Approval Process Leveraging OIPT Structure

Most senior level body overseeing business transformation activities.

The DBSMC will meet to:

- Recommend policies and procedures required to integrate DoD business transformation

- Review and approve the defense business enterprise architecture

- Ensure cross-Department, end-to-end interoperability of business systems and processes.

Investment Review Boards (IRBs) established for each core business mission, chaired by the appropriate USD, with representation from services, components and combatant commands.

IRBs meet as needed to review all activity impacting their business mission:

- All investments over $1M

- Transition Planning

- Solutions Oversight

- Investment Review Boards focus on business mission impacts of investments – impacts that support warfighting mission and improve financial accountability.

- Component organizations pre-certify compliance to all other criteria – including net-centric, DOD BEA requirements.

- Single, streamlined certification process replaces five (5) unique processes in place under prior structure.

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- **Oct 12, 2001 USD(C) memo**
  - Legacy systems – Priority 1/2 system changes could be approved by Component HQ CIO and Comptroller; priorities 3 and 4 required Comptroller approval
  - Systems under development – could not go into production without an independent 3rd party assessment, a formal briefing to USD(C) and written concurrence from USD(C)
  - New systems – had to complete pre-milestone requirements, formally brief USD(C) and receive written concurrence from USD(C)

- **NDAA 107-314 Dec 2, 2002 sec. 1004**
  - USD(C) approved all financial system improvements over $1M (new systems and modifications to existing systems) if they were:
    - Necessary to achieve national security capability or address a critical requirement
    - Necessary to prevent an adverse effect on a project that is needed to provide essential capability (alternatives considered)
    - Consistent with <u>both</u> the BEA and Transition plan

- **NDAA 108-375 Oct 28, 2004 sec. 332**
  - Requires designated Certification Authorities (CAs) to certify to the DBSMC that business system modernizations over $1M (appropriated funds) are:
    - Compliant to the enterprise architecture
    - <u>Or</u> critical to achieve a critical capability/requirement
  - *Failure to get DBSMC approval is an anti-deficiency act violation!* *(Effective Oct 1, 2005)*

Other NDAA FY05 Impacts

- **Transfers BMMP program oversight from USD(C) to USD(AT&L)**

- **Defines the scope and use of the DoD business enterprise architecture**
  - *"To cover all defense business systems, and functions and activities supported by defense business systems, which shall be sufficiently defined to effectively guide, constrain, and permit implementation of interoperable defense business system solutions and consistent with the policies and procedures established by the Director of OMB."*

- **Defines the Transition Plan contents for implementing the Enterprise Architecture to include:**
  - Acquisition strategy for new systems
  - Listing of legacy systems (not part of target architecture)
  - Listing of legacy systems that will be modified to be compliant to the architecture
  - Milestones, metrics and resource requirements

- **Establishes the governance structure for Investment Review Boards (IRBs)**

- **Defines budget submission requirements for defense business systems**
  - Identification of each business system and funding (by appropriation) to: (a) operate and maintain,   (b) modernize
  - The official to who is responsible for the system (CA)

- **Defines the contents of Annual Reports to Congress (March 15, 2005 through 2009)**
  - Plans, milestones and performance measures against plan
  - No. of systems certified
  - No. of waivers and reason
  - Specific improvements in business operations
  - Cost savings from modernizations

Former Compliance Process

- **June 2003 to May 2005 -** PMs submitted review packages to the lead Domain for cross-Domain coordination
  - No single process; PMs required to submit multiple packages to satisfy various Domains and the Comptroller
  - Average processing time is not efficient
  - 19 approvals processed Mar 2003-Oct 2003 (8 months)
  - 90 approvals processed from Nov 2003 – April 2005 (18 months)
- **June 2005** - a new investment review process will be implemented
  - Goal: to eliminate deficiencies of previous processes

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Former process Issues:

- Multiple questionnaires and submission requirements

- Redundant questions

- Long processing time

- Lack of visibility and status

- Unsure when reviews required

NEW

Compliance Process Objective --

To certify, in an expeditious manner, business system investments as compliant using an appropriate level of review based on cost, scope and complexity of the investment in order to ensure rapid delivery of critical capabilities to support the warfighter.

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Consistency and streamlining

- Standard process, forms, templates
- Central repository of investment information
- OIPT-like concept for cross mission area systems/programs for non-ACAT 1 programs
- Leverages JCIDS/DAS (requirements) processes for ACAT 1 programs to minimize additional workload
- Shorter processing time

Appropriate level of review

- Tiered review criteria takes into consideration program scope, cost and complexity
- Provides flexibility for Certification Authority (CA) interest programs

Better auditability and reporting capabilities

- Makes it possible to meet end of year reporting requirements without a data call

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- Modernization expenditures less than $1M or less - (except for OSD CA interest programs) are to be reviewed and certified by Component CAs and reported to the appropriate OSD IRB.

- Modernization expenditures over $1M, CA interest programs, and enterprise systems - must have an OSD level IRB review/certification and DBSMC approval before funds may be obligated.

> – **A defense business system is defined as:**
>
>   - *An information system, other than a national security system, operated by, for, or on behalf of, the DoD including: financial systems, mixed systems, financial data feeder systems and <u>information technology and information assurance infrastructure</u>, used to support business activities, strategic planning and budgeting, installations and environment and human resources management. (NDAA FY2005, Sec. 332 § 2222 (j) (2))*
>
> – **A modernization of a business system is defined as:**
>
>   - *The acquisition or development of a new defense business system; or any significant modification or enhancement of existing defense business systems (<u>other than necessary to maintain current services</u>). (NDAA FY2005, Sec. 332 § 2222 (j) (3))*

Tiered Level of Review

	Component (PCA)	IRB/CA/PSA	DBSMC*
Tier 1 ACAT 1AM (MAIS) and 1D	• Participates in acquisition management process	Leverages DAS and JCIDS process • IRB members participate in pre-milestone and milestone reviews • CA certifies	Approves
Tier 2 $10M to less than MAIS or CA Interest or Enterprise System	• Reviews and <u>Pre-certifies</u>	IRB recommends to the CA(PSA) who certifies compliancy based on: • Component pre-certification • Analysis of the business case • Impacts to enterprise systems	Approves
Tier 3 Greater than $1M and less than $10M	• Reviews and <u>Pre-certifies</u>	IRB recommends to the CA(PSA) who certifies compliancy based on: • Component pre-certification • Review of the business case	Approves
Tier 4 $1M or less	• Reviews and <u>approves</u> • Submits review reports to CA	N/A	N/A

DBSMC is not required to meet to sign approvals.

BMMP is focused on improving warfighting mission support while establishing financial accountability in all business operations.

We are building upon accomplishments to date and restructuring the program for greater efficiency and tiered accountability.

BMMP is focusing on accelerating implementation of DOD Business Enterprise Capabilities.

NDAA language stands up new governance structures that will be supported within budget requests.

BMMP now has full engagement of DOD senior leadership, addressing GAO and Congressional concerns.

BMMP Website:
http://www.defenselink.mil/comptroller/bmmp/pages/index.html

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LATEST NEWS

Facing the Future: Defense Business Transformation

The Department of Defense's recent documentary *Facing the Future: Meeting the Threats and Challenges of the 21st Century* presents a compelling review of the extraordinary changes over the past four years. The **report** chronicles "a new architecture of American defense" as DoD sheds its Cold War legacy and confronts an asymmetrical threat-filled era.

The Business Management Modernization Program (BMMP) plays an important role in support of the new defense architecture. With an acute awareness of how intrinsically linked the Department's business operations are to sustaining effective military readiness in the 21st Century, the BMMP has restructured how we evaluate information technology investments and brought senior leadership from across the Office of the Secretary of Defense (OSD) and the services into the core decision-making process.

The BMMP is now *accelerating improvement of DoD-wide business processes through the development and deployment of enterprise-level capabilities to achieve higher levels of operational efficiency and enable financial accountability.*

BMMP Mission: Transform business operations to achieve improved warfighter support while enabling financial accountability across the Department of Defense.

The BMMP's mission is characterized by an agenda for action:

Did You Know ...

Through the BMMP, you will be able to review BMMP policies and procedures; review documentation on the Investment Review Boards (IRBs); obtain the latest releases of the Business Enterprise Architecture (BEA); and learn more about the evolving BMMP Governance structure; and subscribe to the BMMP e-mail service.

Visit our website regularly to learn more about the changes occurring within the BMMP.

Questions and Comments can be Sent Using the "Contact Us" Page on this Website.

Supplemental Slide

Capability Definitions

Enterprise Finance Visibility

Immediate **access to accurate and reliable financial information** (planning, budgeting, accounting, cost) in support of financial accountability and decision-making throughout the Department.

Acquisition Visibility

Access to **real time, authoritative, and accurate acquisition program information** across the components, including support for internal acquisition management oversight and internal and external consolidated reporting responsibilities.

Material Trans. Visibility

Ability access to central (DoD Enterprise) data transaction management hubs, providing automated addressing capability and intersystem transaction execution between service-specific materiel management and Enterprise Resource Planning (ERP) systems. This will enable **access to information regarding supply chain execution within and among components**.

Personnel Visibility

Provides accurate, **real-time information regarding the assignment, location, skills, pay, entitlements and status for military personnel**. This capability is necessary to support the mission flexibility goals of the Department.

Real Property Accountabilty

Enables **accurate inventory data for all DoD owned / controlled real property**, providing all DoD users of real property information the ability to readily access and roll-up core real property data, (e.g., value, location, status) to support their business or warfighter needs.

Common Asset Valuation

Enables **timely, common and proper valuation, capitalization and depreciation schedules for all real and personal property** owned by the DoD. Provide acquisition cost visibility at all levels of decision making.

Common Supplier Base

Creates a **single face to industry** via secure and globally connected sourcing capabilities; thus, enabling the leveraging of scale economies, where desired, in purchasing and supplier management. This includes **policy, processes, organization and business systems related to Acquisition requirements management,** supplier registration, solicitation posting, vendor selection, contract award, receipt and acceptance, payment, and reporting.